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21 APR 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : F. W. M. Janney

Director of Personnel

SUBJECT : Morale of Agency Employees

REFERENCE: Memo for DCI fr Chairman, MAG dtd 29 Mar 76, subj: Follow up to

12 March DCI Meeting with MAG

- 1. The memoranda submitted by the MAG members are interesting and contain frank expressions of their individual impressions as to the state of morale as they observe it within their Directorate or component. The varied factors and/or indicators identified as leading to their impressions may or may not be valid in terms of drawing conclusions. The evaluation of employee or organizational morale requires the development of broader and deeper professional studies which would include the identification and evaluation of those factors that are truly indicative of the state of Agency morale. There is no doubt that the events of the past year have had an impact on employees as individuals and on their organizations as groups. Whether negative reactions are transient or more lasting is hard to determine at this point.
- 2. Poor morale is frequently reflected in an increase in the voluntary separation rate of "good" employees. The Agency has not experienced any significant change in this regard to date, but the general lack of opportunities in the outside labor market may be an influencing factor. Confirmation of substantial deterioration of employee motivation and negative attitudes are other indicators of poor morale, but these can only be determined by well constructed employee survey techniques. Uncertainties and uneasiness associated with changes in organizational management, anticipation of changes in policies and programs, and the circulation of rumors always create a degree of employee apprehension which is usually dispelled as new directions are confirmed. We

have little or no indication that employee concerns have had the slightest effect on productivity and "getting the job done." Given recent circumstances, I would certainly expect employees to feel concern and some apprehension for the future of the Agency, yet such concern and apprehension does not seem to get in the way of their work. Some of the more tangible effects may be on those with whom we do business. Can we expect and will we get the same degree of cooperation from foreign intelligence services and other government agencies?

3. Much of our employee uncertainty as regards the future (as related to both the Agency's role and their personal relationships) will be dispelled with early decisions on pending key assignments, conclusion or reaffirmation of organizational and functional alignments and the articulation of new directions. I believe, however, that it would be useful to develop and institute a tailored survey directed at our mid-level Agency supervisors (Division and Branch or equivalent), who are closest to the employee work situation, to ascertain their views on the key indicators of employee productivity, motivation and quality of effort. Office of Medical Services/Psychological Services Staff and the Office of Personnel could be jointly tasked with undertaking this task.

(Signed) F. W. M. Janney

P. W. M. Janney

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